



Health Services
LOS ANGELES COUNTY

August 17, 2011

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: ADVANCE NOTIFICATION OF SOLE SOURCE
AGREEMENT NEGOTIATIONS WITH SERVICON
SYSTEMS, INC.**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

John F. Schunhoff, Ph.D.
Chief Deputy Director

This is to advise your Board that the Department of Health Services (DHS) has entered into sole source agreement negotiations with Servicon Systems, Inc. (Servicon) for the provision of temporary, supplemental Housekeeping Support services at LAC+USC Medical Center (LAC+USC MC), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC) and Rancho Los Amigos National Rehabilitation Center (RLANRC).

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Board Policy 5.100 requires a two week prior written notice of a department's intent to enter into sole source negotiations for agreements over \$250,000. However, DHS was unable to provide the required notice because of the sudden withdrawal of the previous contractor, and subsequent problems that have arisen with the replacement arrangements put in place by the Internal Services Department (ISD). These circumstances have necessitated rapid entry into negotiations with Servicon to avoid a disruption in services.

DHS currently accesses ISD's custodial contracts for supplemental custodial services at LAC+USC MC, MLK-MACC and RLANRC. These services are used to augment County staff. Until recently, ISD provided DHS with this supplemental staffing using a contract with Premier Building Maintenance Services (Premier). However, as ISD advised your Board on July 5, 2011, Premier gave notice that it filed a Chapter 11 bankruptcy petition on June 27, 2011 and subsequently ceased providing services. As a result, ISD made temporary arrangements for three other ISD custodial contractors to provide services until DHS obtained a replacement agreement.

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners.*



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While both ISD and DHS had hoped that these temporary replacement services would remain in place long enough to permit DHS to develop and implement a more thoughtful transition plan, including a contract solicitation, ISD recently learned that the replacement provider at RLANRC would no longer be able to provide services. In anticipation of the other replacement contractors also having the same issues, DHS, County Counsel and ISD have conferred and determined that the only feasible alternative now is for DHS to accelerate the transition of all services to its department under a temporary contract.

Accordingly, to ensure ongoing services until a competitive solicitation can be completed, DHS is entering into negotiations for a temporary, one-year agreement with Servicon, a current housekeeping provider for the department. This agreement will give DHS the reasonable transition period that it initially had hoped to have and also will ensure uninterrupted housekeeping services to maintain patient care and safety.

For over fifteen years, Servicon has been providing housekeeping services at the County's medical centers, ambulatory care centers and clinics. The firm provides the full range of housekeeping services that includes high level cleaning of patient care areas. Negotiation and approval of this agreement with Servicon will enable DHS to complete the transition from the ISD contracts and enter into a Proposition A/Living Wage compliant agreement for the three DHS facilities.

If you have any questions, or require additional information, please let me know.

MHK:KKH:ph

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department